

# Fortunes from Small Change

By FREEMAN TILDEN

**W**E may say it baldly and with no fear of contradiction—the jitney is the King of Coins. The dime? Well, say prime minister. We may call the rest of the pieces in our coinage cabinet ministers and let it go at that. Take the dollar bill, for instance—look it over. A beautiful thing it is; but, when

it comes to swiftness of circulation, your little old jitney has the punch. The nickel is all movement. It cries loudly to be spent in a hurry, and in the United States it is spent in a hurry. That is why so many fortunes have been reared by its power. Get just one little new idea to magnetize these flying nickels and dimes, and your fortune is made.

In the year 1875 a serious-minded young man was working in a "general" store up in Watertown, New York. His name was Frank W. Woolworth, and he was thinking a good deal about small change—nickels in particular. And the reason he was thinking so much about the nickel was because he had observed that the customers upon whom he waited were also keen about the little jitney-piece.

Young Woolworth was behind the dry-goods counter. He had lived on a farm the first twenty-one years of his life, and this was his first experience in trade. Already his employers were beginning to admit that he had "something in him." That was why, when he proposed that they initiate a "five-cent counter" and put him in charge of it, they said, "Go ahead."

Woolworth was right. People were interested in the nickel for other reasons than its artistic merit as a coin of the realm. They were so much attracted by the five-cent counter that in 1879 young Mr. Woolworth, with a few hundreds of capital, launched a five-cent store in Utica, New York, under his own shingle.

And now listen! You're expecting to read that Woolworth was a made man from that minute—that all he had to do was to go ahead blithely and multiply his stores, and become rich and famous. Well, that's just what didn't happen; and the fact that it didn't happen, and that he survived the shock and became rich and famous, is the key to the real reason of this man's success.

No, the Utica five-cent store was not a howling success. It just ambled along in a perfunctory way that maddened the live young storekeeper, and he sold out shortly afterward, taking \$150 profit on the adventure. But—

Woolworth had learned some things. He had got better adjusted to his own idea. He started another store of the same kind in Lancaster, Pennsylvania, and took in \$128 the first day. One month afterward he was able to set up a branch in Harrisburg. It didn't do so well. Woolworth transferred it to York, Pennsylvania, where it promptly fell dead. So the five-cent proposition was yanked back to Lancaster, where the main store had been doing very well all the time.

So it wasn't all velvet from the start, you see. Another venture, this time in Philadelphia, went on the rocks. And then Woolworth sat down and took account of stock. And he saw two big lights, those same lights that showed the way to the foundation of the Woolworth fortune: first, that the location of the stores had to be the best possible; second, that each branch had to stand on its own bottom, and live or die on its own merit. When he got those two ideas fixed, he went ahead.

The nickel idea went slowly but surely. Then the ten-cent feature was added to it. It became the Five-and-Ten, and the result of the joint attractiveness of the



**A** YOUNG man once went with a millionaire to buy a pair of suspenders. "We'll have to cross the street," said the millionaire; "we can buy them six cents cheaper over there." "Cross the street to save six cents!" exclaimed the other. To which the millionaire replied by taking out a silver dollar and twirling it. "Young man," he said, "do you know that one of the hardest things in the world is to make that dollar earn six cents in a whole year?" Here are the stories of several gentlemen who discovered that when it comes to making a fortune, the really important coins are the pennies and nickels and dimes. Perhaps there's a moral in the tale for you.

title and the sagacity of the master mind behind it is represented now by the tallest office building in the world, and a corporation capitalized at \$50,000,000.

## The Coin that Cries to Be Spent

**T**HERE is the Tobacco Trust as it was before it was drawn—and yes, exactly quartered—by the Supreme Court. This tremendous organization grew, in a rather direct way, out of a five-cent business. Even to-day it is still largely a nickel-and-dime proposition.

In the early '60's, Washington Duke was the owner of some lean acres of ground near Durham, North Carolina. Strangely enough, he was a Union man and a Republican, too; though somehow or other, possibly by the persuasion of his "Reb" neighbors, backed up by shot-guns, he landed in the Confederate navy. After the Civil War ended, Washington Duke went back to the poor, broken farm and impoverished soil and began to raise tobacco. It was about the only crop that could be raised just then. But the man had grit and imagination, and in a little shack on the farm he began to put up tobacco in five-cent bags, so that folks might "roll their own."

It was a frail business in the early days—small profits and hard sledding. There were many times when the ration of corn pone and bacon looked extremely good. But there was a will and a way, and the business was steadily appealing to the magical nickel.

James B. Duke was born in 1857. He and another son of Washington Duke helped with the business through the slim days into the days of fair prosperity. Said the father to James B., one day when things began to look rosier: "You should go to college."

"Let's forget the college idea," was the reply. "Let me have one sixth of the business and that'll suit me perfectly."

Thereafter the business was known as W. Duke & Sons.

It was in 1881, when James B. Duke was only twenty-four years old, that

he got the idea of creating the Tobacco Trust. Probably he had had his eye on the marvelous growth of Standard Oil, and he felt that what had been done in one commodity could be done in another. At first the well established rival tobacco companies gave him proposals the pitying smile. Yet one by one, under the pressure of this energetic master's suasion (which wasn't wholly mental, either), they fell into line. To-day a quarter billion dollars would not adequately represent the business that has grown out of that little five-cent "roll your own" tobacco.

Mr. S. C. Dobbs, of the Coca-Cola Company of Atlanta, Georgia, says that the sales of Coca-Cola have averaged, during the year 1915, three million glasses a day. Wait, let's put it in figures—like this: 3,000,000. Three million glasses a day. Every day. Day after day. That goes into the billion column for a year.

And just to think that in 1886 Dr. J. S. Pemberton, who first worked out the formula of this drink, was patting himself on the back because he had been able to sell twenty-five whole gallons of his product to the local dealers at two dollars a gallon! And Dr. Pemberton was some sport, at that; for in that first year he paid out almost twenty-five dollars for advertising. Nowadays the company goes up toward the million mark in its advertising expenditure, without batting an eyelash. Coca-Cola is another of the many successful "small-change" products that did not jump into immediate prosperity, but worked into it through vicissitudes. For the first few years it was a steady loser for its owners. People hadn't learned to call for it; druggists hadn't learned to dispense it; and that which was kept overtime by the retailers was usually found spoiled and unsalable. As late as 1890 the advertising bills were in excess of the total receipts for the year. But the faith of the owners was strong. They kept everlastingly at it, and to-day Coca-Cola is one of the greatest money-makers in trade.

It is not only with nationally advertised and widely known products that for-

tunes have been made, however. Nearly every important center throughout the United States has one or more wealthy men who have found comfort in the ease with which the American may be divorced from his nickel or dime—when you know how to do it. And a queer thing about these locally celebrated articles is that they are

often utterly unknown five hundred miles from where they thrive.

Other less known fortunes have been built up on popcorn products, chewable pastilles, and aromatic lozenges in boxes; and at least one man has accumulated a great hoard from the sale of salted peanuts in five-cent cartons. Also has the humble copper penny a little punch of its own, as evidenced by the immense prosperity of the corporations that employ little slot machines to distribute their chocolate and gum.

And, speaking of chewing gum—

The man behind Spearmint Gum, which is one of the best examples of big fortunes created from the little nickel-chasing products, is William Wrigley, Jr., of Chicago and Pasadena. Here is the story of this huge success:

The senior William Wrigley was a manufacturer of scouring soaps in Philadelphia. One of his traveling men was William, Jr. And, like many another traveling man, William, Jr., hankered to get into business for himself. He was not sure what business; no, not even when he hired desk-room in an office in Chicago and informed himself and the retailing public that he was selling soaps, baking soda, etc. This was in 1892. It is said that Mr. Wrigley had all of \$32 when he set up his own desk.

The trade in soap and baking soda being slow, the energetic young Wrigley looked around for the proper "pep" to inject into it. He hit upon the premium game, attaching premiums first to his stock in trade and later, in a rather accidental way, hitching up with a chewing gum that was already on the market.

Gum looked better than soap. Wrigley lost no time in shifting to where the going was better. Then he began to fasten his gum to every conceivable kind of premium. In 1905 he was carrying in stock \$700,000 worth of premiums.

## What About the Pennies?

**S**TILL it wasn't as it should be. The great prize—that of a nationally known "trademark" article which would sell like hot cakes on its own merits—was still ahead. It was high time to place the spear so firmly in the minds of advertisement readers—and that means every man, woman, and child—that every time they saw a spear they would unconsciously begin to move their jaws. So, about fifteen years ago, Wrigley began to use big space in the magazines, newspapers, and street-cars. In 1906 he spent \$500,000.

Two millions of dollars a year is what this five-cent article can spend for advertising out of its gross income now, and leave a fine profit. For the people of the United States and Canada buy twenty million dollars' worth of Wrigley's a year.

There are a dozen other gum fortunes: there are the fortunes built out of the manufacture of five- and ten-cent toys and household appliances; there are the big daily newspapers, proof of the fact that even the penny is all-powerful when enough of them get together. In fact, the further one looks, the more impressed he becomes with this truth—that the really important coins in our lives are the little coins—the pennies and the nickels and the dimes.



"Drop a nickel in the slot and ascertain your weight."